

**UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re	) Chapter 11
WORLDWIDE DIRECT, INC., <u>et al.</u> ,	) Case Nos. 99-108 to -127 (MFW)
Debtors.	) Jointly Administered

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**REVISED DECLARATION OF THADDEUS BEREDAY IN SUPPORT OF HENNIGAN,  
BENNETT & DORMAN'S FINAL FEE APPLICATION [DOCKET #2661]**

I, Thaddeus Bereday, declare:

1. I am the former President and General Counsel of SmarTalk TeleServices, Inc. (d/b/a SMTK Expedite Co., Inc.) and the other entities that are debtors and debtors in possession in the above-captioned cases (collectively, "SmarTalk"). I make this declaration in support of the Final Fee Application of Hennigan, Bennett & Dorman ("HBD"), SmarTalk's bankruptcy counsel. I have personal knowledge of the following facts and, if called and sworn as a witness, I would and could testify competently thereto.

2. I served as SmarTalk's President and General Counsel from April 1, 1999, until June 2000. Prior to my tenure as President I served as Vice President and General Counsel of SmarTalk from March 23, 1998, through March 31, 1999. Prior to joining SmarTalk, I was an associate at the law firm of Jones, Day, Reavis & Pogue from 1993 to 1998. Following my departure from SmarTalk, in June 2000, I joined the law firm of Morgan, Lewis & Bockius as a partner. I left that firm and became a partner at the law firm of Brobeck, Phleger & Harrison in August, 2001.

3. During my tenure at SmarTalk, one of my duties was to coordinate and supervise the activities of SmarTalk's professionals, including HBD.

4. I was also one of the executives responsible for negotiating SmarTalk's retention and compensation arrangements with HBD. At the time of retention, SmarTalk agreed to pay HBD's reasonable professional rates and expenses.

5. One of my responsibilities during my tenure as Vice President, President and General Counsel was to review professional invoices for services in the SmarTalk case. Throughout HBD's employment as SmarTalk's counsel, HBD provided monthly invoice statements to SmarTalk for the services rendered by HBD, which were itemized by project and included a summary of the time expended by each individual at HBD who worked on the case, a description of the work performed, the billing rate and the time spent. The invoices were regularly sent to, among others, SmarTalk, counsel for the Official Committee of Unsecured Creditors and the U.S. Trustee. During my tenure as General Counsel, Vice President and President of SmarTalk, I (or employees working under my supervision) carefully reviewed each bill, and any questions that we had with respect to the bills of HBD were discussed with Bruce Bennett or Jim Johnston. I understood that HBD's fees were subject to final approval by the Bankruptcy Court.

6. With each bill, I received a memorandum from Jim Johnston identifying its contents. One example is a memorandum dated March 17, 2000, that attached HBD's invoice for the time period January 1 to January 31, 2000. That memorandum, a copy of which is attached as exhibit 9 to HBD's Reply to the Liquidating Trustee's Objection to the Final Fee Application, specifically included an explanation of a standard rate increase for HBD's attorneys, financial consultants, paralegals and clerks, which was included in the accompanying invoice.

7. In addition to the issues that arose in connection with the bankruptcy proceeding, issues also arose in connection with various adversary proceedings and claims proceedings. I closely reviewed HBD's work in these areas.

8. In addition, I worked closely with Jim Johnston and other attorneys at HBD on numerous aspects of the administration and liquidation of SmarTalk. As part of my responsibilities at SmarTalk, I oversaw the process of establishing the document depository in Dublin, Ohio and was aware of the efforts mandated by the Court, the Creditors Committee and the demands of the contested proceedings and SEC investigation, to review those documents and

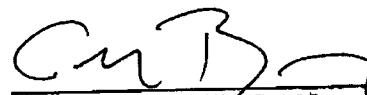
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prepare privilege logs identifying privileged documents. I was aware that HBD retained "temporary" attorneys and paralegals to assist with the process..

9. By at least May of 1999, I requested that HBD perform an analysis of the potential causes of action held by the Debtors' estate against various entities formerly affiliated with SmarTalk, including PriceWaterhouse Coopers, Donaldson Lufkin & Jenrette and CS First Boston. By at least June of 1999, Eugene Davis, the Chief Executive Officer for the Debtors, and I reiterated that request to HBD. The potential adversary proceedings against these entities required HBD to analyze legal issues and various documents.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Executed this 16 day of May, 2002, at New York, New York.

  
THADDEUS BEREDAY

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**UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK**

In re ) Docket No.  
WORLDWIDE DIRECT, INC., et al., ) (Concerning Subpoenas in  
Debtors. ) Case No. 99-00108 (MFW) through  
Case No. 99-00127 (MFW), United  
States Bankruptcy Court for the District  
of Delaware)

## AFFIDAVIT OF SERVICE

I, Margaret A. Hicks, being duly sworn according to the law, depose that I am employed by the law firm of Hennigan, Bennett & Dorman, attorneys for debtors and debtors in possession, in the within captioned matter, and that on the 16th day of May, 2002, I caused copies of the following documents described as:

- 1) Revised Declaration of Thaddeus Bereday In Support of Hennigan, Bennett & Dorman's Final Fee Application [Docket #2661];**

to be served on the following interested parties in this action via facsimile as follows:

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I declare that I am employed in an office of a member of the bar of this Court, at whose direction the within service was made. I declare under penalty of perjury under the law of the United States of America that the foregoing is true and correct.

EXECUTED on May 16, 2002, at Los Angeles, California.

Margaret A. Hicks  
Margaret A. Hicks, Declarant